

1994. In June, a leading index of manufacturing purchases declined for the second consecutive month, after nearly two years of growth. Car sales plunged alarmingly in the spring, leaving the chief executives of the Big Three shaken. Mortgage applications are down, even though interest rates have dropped nearly two points in eight months. The savings rate continues to fall.

Some economists maintain that any good news is simply a delay of the inevitable. "If the economy survives 1995 without a recession, next year will offer no respite from hazards," the Jerome Levy Economics Institute at Bard College wrote last week in one of the blitz of newsletter analyses that has preceded Friday's report on gross domestic product. "The probability of a recession beginning either this year or next is 60 percent."

If so, Mr. Clinton could find himself in exactly the condition he managed to exploit brilliantly against George Bush.

But inflation seems increasingly unlikely to be an issue as the election approaches; it is not only down in this country but around the world. The job market has remained surprisingly strong, an impression bolstered today when the Government announced a large decline in claims for unemployment benefits. Retail sales are up, though much of that comes from huge promotions that car makers are using after they were caught by surprise by slow sales early in the year.

There are three major issues that seem to bother the Administration's top official when they talk about the economy: What will happen to personal income, whether a showdown with the Republicans over the budget sends the markets into a tailspin and what happens if the country's export boom suddenly dries up.

All the economic indicators in the country can turn up, but if income stays stagnant, Mr. Clinton's advisers agree, he will be unable to convince voters that much has changed. "It's the problem the President works on the most," Mr. Rubin said today, referring to proposals in his budget for training and education. "Because median real wages have not behaved well, too many Americans can't feel in their own lives what has happened in the economy."

The second concern is that the battle over the budget will bring the Government to a standstill in October, with all kinds of hard-to-predict economic fallout. "We've had the Government close for a day or two in the past; but what we are worried about is something much longer and worse," a top Administration official said recently. "And it is unclear who would be blamed for that, Bill Clinton or Newt Gingrich."

And the third concern is that the hidden miracle of the economy—exports—will finally cool off. Just how much exports are rising is a matter of how you measure, but the trend is pointing to a 15 percent increase over last year, fueled by the weak dollar. That is a remarkable achievement at any time, but particularly when the country's No. 2 and No. 3 trading partners, Japan and Mexico, are in the most dire economic trouble they have suffered in years.

Whether the country's economic growth can be sustained even if the domestic economy slows further, then, depends in large part on keeping up a huge flow of goods to Europe and Southeast Asia. And that means depending on economies over which Mr. Clinton has virtually no control.

"What no one has noticed in the past year or so is that now fully 50 percent of our exports go to the Pacific Basin," said Mickey Kantor, the United States trade representative and another potential candidate to run Mr. Clinton's campaign. "That is why we have such a critical interest in continuing

the market openings there and building those relationships."

But Asia is also where the United States has its biggest trade deficits, and they, too, have widened over the year. That could be the wedge the Republicans turn to first.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 5 minutes.

[Mr. OWENS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

REFLECTIONS ON THE DEDICATION OF THE KOREAN WAR MEMORIAL

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. KIM] is recognized for 60 minutes as the designee of the majority leader.

(Mr. KIM asked and was given permission to revise and extend his remarks.)

Mr. KIM. Mr. Speaker, yesterday afternoon I joined with Presidents Clinton and Kim Yong-sam of Korea as well as with hundreds of thousands of Korean war veterans, their families and friends in dedicating the Korean War Memorial on The Great Mall in Washington, DC.

For me, this was a most emotionally moving experience. At the time of the Korean War, I was a young boy in Seoul, Korea, trying to survive the horrors of the war. Now, 42 years later at the dedication of the memorial, I am a U.S. Congressman from California. This seems so unreal, so unbelievable.

But, as I stood there looking at the memorial, yesterday, I know this is real because this is America and only in America can such incredible things happen. Perhaps it was Washington's notoriously hot and humid weather that made me feel faint during the ceremony—but I think it could have been 10 below zero and I still would have felt overcome with pride and joy.

The Korean war is often called the forgotten war. While those of us who lived through it will never forget, I think I see why so many others have.

You see, Mr. Speaker, it is because we were successful in Korea. It was indeed a true successful story. That why it was almost forgotten. On June 25, 1950, North Korea launched its surprise attack and by August had pushed American and South Korean troops into a small pocket surrounding the southern-most port of Pusan.

But, rather than give up, the United States made a bold landing and counter-attack at Inchon that same September, thereby defeating any chance of Communist victory.

This was a victory for liberty over tyranny. Many people have forgotten that the rescue of Korea was not just an American and South Korean operation.

Twenty-seven nations, under the blue flag of the United Nations, fought to

defend the U.N.'s charter principles of freedom and self-determination for Korea. And they were successful.

Just across the reflecting pool from the Korean War Memorial is the Vietnam War Memorial. While the Korean war may be the forgotten war, we still anguish over the conflict in Vietnam.

It is true that over 10 years of fighting in Southeast Asia resulted in 55,000 American deaths and 2,000 still missing in action. I give the highest honor to these sacrifices.

But it is also true that in just 3 years of vicious combat, 54,000 Americans died in Korea and over 8,000 remain missing.

Why the concentration on Vietnam at the expense of Korea? Just as many gave the ultimate sacrifice in Korea. Is it because we won in Korea?

Is it because those who protested against our brave troops in the 1960's and 1970's now feel guilty about their actions and fear that acknowledging our victory in Korea will weaken their arguments against our involvement in Vietnam?

I don't know. But, I do know that international freedom and liberty did win in Korea. And, it is past time that this victory be fully recognized.

The ultimate sacrifices made by these brave Americans and others during the Korean war were not made in vain. While the war in Korea may have left the entire peninsula looking like a wasteland back in 1953, look at how the southern half—with American help and protection—rebuilt into a strong, vibrant free-market democracy.

As President Kim said in this very Chamber just 2 days ago, "This is the story of the Republic of Korea, a country which began with nothing but bare hands and courage and managed to achieve democratization and industrialization in a short period of time, a country now proudly marching out toward the world and into the future."

Today, South Korea continues to pay back that help to the United States. South Korea is America's sixth largest trading partner with bilateral trade exceeding \$40 billion this year alone—and the balance is tilted in favor of the United States as America has a trade surplus with Korea.

Now, compare the prosperity and success of South Korea with the misery and poverty in Communist North Korea. Despite all the Marxist propaganda claiming North Korea to be a people paradise, in reality it is a land where only two meals a day are eaten because there is not enough food for three. Despite a 40-year program for self-sufficiency, the North must accept rice from its self-described enemy, the South. There is no freedom in the North as "big brother" watches every move every person makes.

Economically, politically and morally, the North is bankrupt. Only through tyranny and massive military mobilization are the Communists in the North able to stay in power. The differences between the North and South are very well defined.